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NATIONAL TREND OF BUSINESS

Lodging Industry

A SERVICE TO THE CLIENTS OF LAVENTHOL & HORWATH

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AUGUST 1984 COMPARED WITH AUGUST 1983

OCCUPANCIES DECLINE; TOTAL SALES INCREASE SLIGHTLY

The national occupancy rate dropped 0.6 percent in August to 70.8 percent when compared with the same month of the previous year. Declines were reported in many of the categories we analyze with properties in the West and those having over 600 rooms experiencing the sharpest declines. Despite the drops recorded in room night demand, hoteliers around the country continue to increase rates at a rapid pace. For the month of August rates rose 7.2 percent above August of 1983 and are up 6.9 percent for the year through August. These continued increases in rates may have been partly responsible for the declines in occupancy as price sensitivity on the part of the consumer may have become a factor in vacation plans.

Another indication of the reduced traffic through hotels in August was the 2.4 percent decline reported in the number of covers served, when compared to the same period of the preceding year. This is the second consecutive month that this measure of Food & Beverage activity has declined. Despite reduced demand for both room nights and food and beverage services, total sales for the month still managed to climb 6.0 percent. However, this increase is less than that observed in prior months and considerably below the 11.7 percent rise that was reported in May of this year.

The composite index of leading economic indicators rose only slightly in August, reflecting the summer slowdown and the general moderate economic growth reported in the third quarter of 1984. Experienced economic prognosticators are predicting renewed strength in the fourth quarter, although more subdued than in the early stages of the recovery. We will continue to closely observe the economic factors impacting the lodging industry during the next quarter in order to determine our outlook for 1985. While we expect moderate increases in both occupancy and room rates, the slowdown reported during the past two months cannot be ignored as it may signal the leveling off of occupancies.

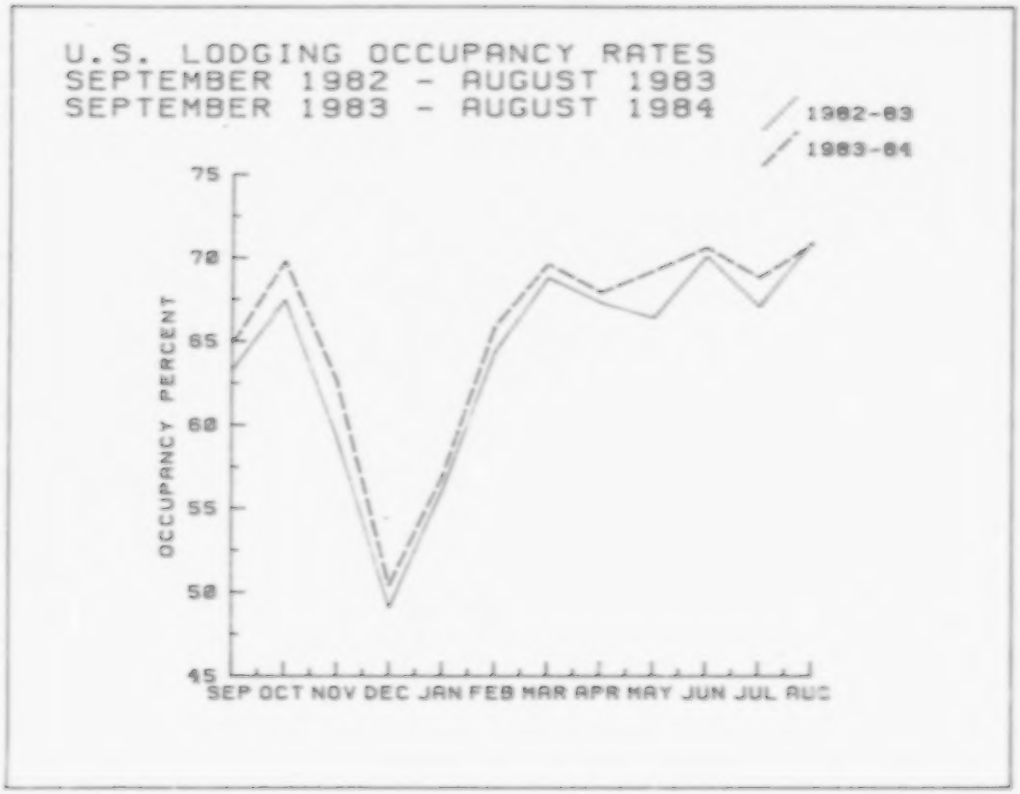
		Projections	Actual Last Year
October	1984	70-72%	69.8%
November	1984	62-64%	62.6%
December	1984	49-51%	50.4%

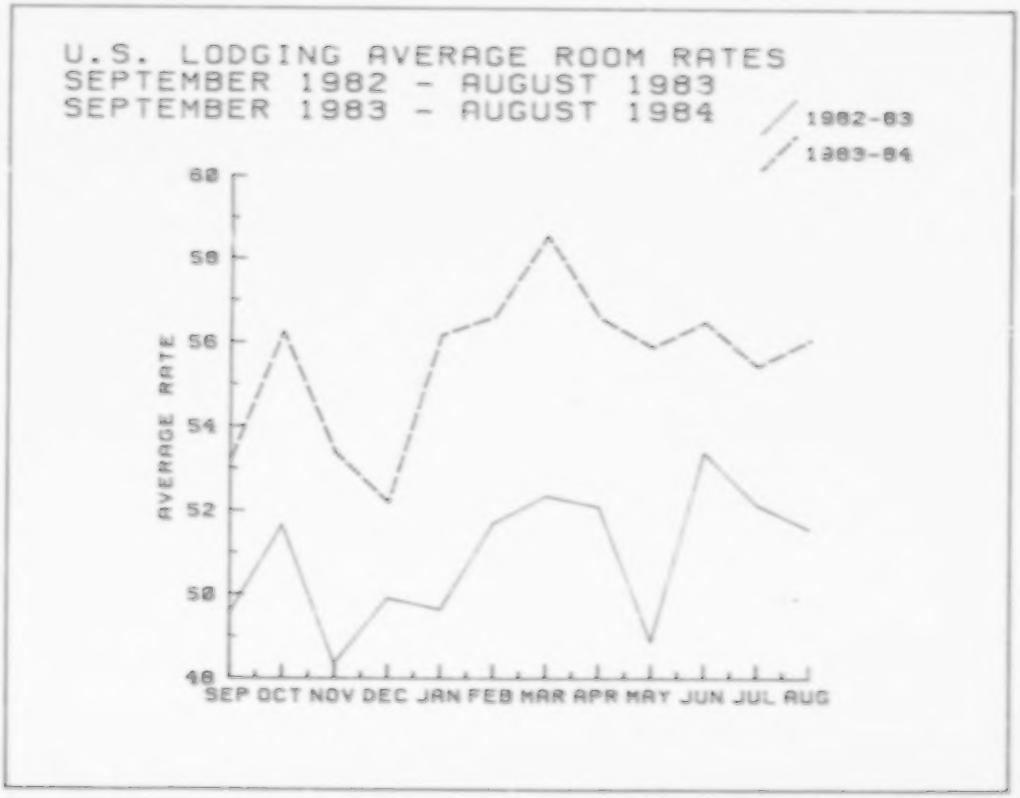
SEASONALLY ADJUSTED OCCUPANCY RATES FOR THE MAJOR CLASSIFICATIONS

	This Month	Percentage Changes*
TOTAL U.S.A.	64.8%	– %
AFFILIATION:		
Chain	65.6	0.2
Independent	65.5	3.1
AREA:		
Northeast	70.0	3.1
Southeast	61.9	– 4.3
North Central	65.1	– 0.9
South Central	60.7	– 1.6
West	68.5	– 2.7
LOCATION:		
Center City	66.7	5.9
Suburban	63.1	– 0.9
Highway	65.4	– 1.4
Airport	66.4	– 5.8
Resort	63.4	3.9
SIZE:		
Under 150 rooms	66.2	2.6
150 to 299 rooms	63.4	– 3.4
300 to 600 rooms	63.2	– 1.6
Over 600 rooms	68.9	5.7
TYPE:		
Hotel	65.6	0.3
Motor Hotel	65.5	– 1.2
Economy	63.8	6.7

*FROM PREVIOUS MONTH
– NO CHANGE

Mark Lomanno, Senior Research Associate
Marsha Cassidy, Research Associate
Research and Development


U.S. LODGING OCCUPANCY RATES
SEPTEMBER 1982 - AUGUST 1983
SEPTEMBER 1983 - AUGUST 1984
1982-83
1983-84
OCCUPANCY PERCENT
75
70
65
60
55
50
45
SEP OCT NOV DEC JAN FEB MAR APR MAY JUN JUL AUG


U.S. LODGING AVERAGE ROOM RATES
SEPTEMBER 1982 - AUGUST 1983
SEPTEMBER 1983 - AUGUST 1984
1982-83
1983-84
AVERAGE RATE
60
58
56
54
52
50
48
SEP OCT NOV DEC JAN FEB MAR APR MAY JUN JUL AUG

TREND REPORT AUGUST 1984 COMPARED WITH AUGUST 1983

	SALES PERCENT CHANGE				OCCUPANCY PERCENT		DOUBLE OCCUPANCY PERCENT		ROOM SALES PER OCCUPIED ROOM		TOTAL SALES PER OCCUPIED ROOM	
	TOTAL	ROOMS	F&B	OTHER	AUG	% CHG	AUG	% CHG	AUG	% CHG	AUG	% CHG
TOTAL	6.0	7.5	1.4	11.0	70.8	-0.6	65.4	1.4	$ 56.08	7.2	$ 80.72	5.8
REGION:												
Northeast	6.3	6.5	2.2	21.0	74.8	-	49.3	7.6	$ 77.07	6.5	$107.86	6.3
Southeast	2.5	4.0	-1.6	3.9	67.4	-0.9	107.5	2.8	50.23	3.7	73.14	2.2
North Central	3.8	4.4	2.1	3.5	74.7	0.1	52.2	-0.4	42.62	5.0	61.44	4.4
South Central	12.5	14.7	7.3	13.5	64.0	0.6	47.2	0.4	52.27	10.7	76.77	8.7
West	4.4	7.4	-2.6	9.7	78.0	-2.9	64.2	-2.3	60.83	10.5	87.53	7.4
AFFILIATION:												
Chain	6.5	7.7	2.3	11.8	70.8	-1.1	61.8	2.5	55.74	7.7	79.11	6.5
Independent	4.7	6.7	-0.9	9.4	70.4	0.9	77.5	-1.9	57.29	5.4	86.41	3.4
LOCATION:												
Center City	9.3	10.5	4.9	15.0	68.2	0.9	54.8	8.5	69.61	8.4	101.56	7.2
Suburban	5.8	8.4	0.1	5.9	71.0	-1.0	50.5	-4.9	51.36	9.1	75.24	6.5
Highway	3.1	3.7	-1.3	11.9	74.6	-1.3	79.5	3.2	39.09	4.6	49.89	4.0
Airport	2.0	4.2	-3.3	3.1	70.7	-1.9	33.2	-3.5	51.60	6.1	74.50	3.9
Resort	4.0	5.5	0.2	7.1	70.2	-1.1	114.4	-3.5	63.27	4.3	96.98	2.8
SIZE:												
Under 150 Rooms	7.0	6.9	7.5	6.4	76.9	2.1	70.7	-1.1	$ 38.46	5.4	$ 47.94	5.5
150 to 300 Rooms	5.1	7.2	-0.2	5.9	69.8	-0.9	57.6	0.5	51.15	7.3	74.53	5.1
300 to 600 Rooms	8.8	10.8	4.0	11.0	66.7	0.6	62.3	-3.4	63.54	8.7	96.49	6.7
Over 600 Rooms	4.1	5.2	-1.2	16.5	70.3	-4.4	74.9	8.2	74.89	7.7	109.49	6.6
TYPE:												
Hotel	6.3	8.0	1.5	12.7	67.6	-0.7	59.5	2.1	67.48	7.6	103.93	5.9
Motor Hotel	5.5	6.7	1.2	5.1	73.3	-1.2	74.3	0.8	47.44	7.0	62.25	5.8
*Economy	6.2	6.3	-1.6	5.9	78.7	1.7	69.5	0.4	30.23	4.5	31.34	4.4

* Economy data are based on a sample of properties from the National Trend of Business in Economy Lodging Industry.

YEAR TO DATE TREND REPORT - AS OF AUGUST 1984

	SALES PERCENT CHANGE				OCCUPANCY PERCENT		DOUBLE OCCUPANCY PERCENT		ROOM SALES PER OCCUPIED ROOM		TOTAL SALES PER OCCUPIED ROOM	
	TOTAL	ROOMS	F&B	OTHER	AUG	% CHG	AUG	% CHG	AUG	% CHG	AUG	% CHG
TOTAL	9.3	10.2	7.0	10.4	67.5	2.1	54.5	-1.8	$ 56.18	6.9	$ 84.48	6.0
REGION:												
Northeast	11.2	12.3	8.4	12.0	69.4	3.1	40.3	1.8	$ 77.36	9.6	$114.49	8.6
Southeast	5.8	5.7	5.3	9.2	70.9	-1.9	88.7	-2.0	57.37	7.1	88.22	7.2
North Central	11.5	13.0	8.1	14.5	64.9	5.5	41.6	-1.7	44.34	5.9	69.02	4.5
South Central	9.4	10.8	6.5	6.8	62.6	2.6	41.7	3.2	50.24	4.9	74.04	3.6
West	9.8	10.9	7.1	12.5	71.8	2.3	50.9	-3.2	55.96	8.1	82.78	7.0
AFFILIATION:												
Chain	9.2	10.2	6.5	10.4	68.3	1.8	51.0	-1.9	55.50	7.2	81.79	6.2
Independent	9.7	10.3	8.2	10.6	64.4	3.2	65.9	-1.6	58.84	5.9	95.13	5.2
LOCATION:												
Center City	12.4	13.8	9.6	11.9	64.6	3.9	45.1	4.2	69.14	8.2	105.20	7.0
Suburban	7.1	8.9	3.3	8.7	66.3	2.5	42.8	-2.7	47.77	4.9	72.72	3.2
Highway	5.0	5.3	3.9	4.2	69.2	0.1	67.6	-4.4	39.67	4.4	52.36	4.1
Airport	7.6	9.3	4.1	7.6	71.8	3.0	33.3	-3.2	51.10	6.0	76.60	4.3
Resort	9.0	9.0	8.3	12.2	69.2	-0.1	96.8	-3.1	69.52	7.5	112.90	7.6
SIZE:												
Under 150 Rooms	7.1	7.9	4.8	3.5	68.8	3.1	63.7	-1.5	$ 38.49	4.7	$ 50.72	3.9
150 to 300 Rooms	7.6	9.1	4.2	8.4	67.7	1.8	48.8	-2.8	49.12	6.0	73.23	4.6
300 to 600 Rooms	7.7	8.5	5.6	11.0	65.3	1.7	54.9	-2.7	63.09	5.9	99.59	5.1
Over 600 Rooms	13.7	14.4	12.2	12.9	68.2	1.5	56.2	-0.4	79.12	10.0	122.81	9.3
TYPE:												
Hotel	10.6	11.8	8.1	11.8	66.8	3.2	49.9	0.6	67.64	7.0	108.23	5.9
Motor Hotel	6.8	8.0	3.5	6.2	68.3	0.3	61.1	-4.1	43.71	6.2	62.52	5.1
Economy	3.9	4.3	-0.5	-7.5	67.3	1.8	64.5	-3.2	29.53	2.7	30.88	2.4

* INSUFFICIENT RESPONSE

FOOD AND BEVERAGE REPORT - AUGUST 1984 COMPARED WITH AUGUST 1983

	F&B SALES PER OCCUPIED ROOM		AVERAGE RECEIPT PER COVER		FOOD COST PERCENT OF FOOD SALES		BEV COST PERCENT OF BEV SALES		F&B PAYROLL PERCENT OF F&B SALES		F&B PAYROLL PER COVER		NUMBER COVERS SERVED
	1984	1983	1984	1983	1984	1983	1984	1983	1984	1983	1984	1983	% CHG
TOTAL	$28.54	$28.04	$ 8.28	$ 8.18	0.35	0.36	0.22	0.22	50.8	48.5	$ 6.05	$ 5.67	-2.4
REGION:													
Northeast	$27.54	$27.00	$10.27	$10.08	0.34	0.35	0.21	0.21	59.4	56.6	$ 8.62	$ 8.00	-0.1
Southeast	24.09	23.98	7.47	7.62	0.37	0.37	0.23	0.23	51.9	48.0	5.62	5.09	-5.9
North Central	28.00	26.42	6.68	6.47	0.35	0.34	0.25	0.23	47.5	45.7	4.12	3.93	-1.1
South Central	28.24	27.80	7.89	7.91	0.36	0.36	0.22	0.22	46.8	46.1	5.64	5.59	1.3
West	37.69	37.28	8.90	8.61	0.35	0.34	0.23	0.24	42.6	40.4	5.51	5.23	-4.8
AFFILIATION:													
Chain	26.79	26.08	8.14	8.03	0.35	0.35	0.22	0.22	51.0	48.9	6.05	5.69	-1.8
Independent	35.35	35.68	8.67	8.56	0.37	0.36	0.23	0.24	50.0	47.5	6.03	5.62	-4.0
LOCATION:													
Center City	30.26	29.41	9.40	9.15	0.34	0.34	0.21	0.21	55.7	54.0	7.55	7.04	-2.5
Suburban	28.27	27.94	7.92	7.62	0.37	0.37	0.25	0.22	49.6	46.2	5.67	5.18	-2.6
Highway	20.29	20.22	6.38	6.3	0.36	0.37	0.23	0.23	39.9	40.8	3.40	3.36	1.7
Airport	25.13	25.04	7.12	7.35	0.38	0.37	0.24	0.25	45.5	42.6	4.65	4.63	-1.4
Resort	35.33	34.91	8.23	8.28	0.36	0.36	0.23	0.24	46.3	43.1	5.20	4.76	-4.8
SIZE:													
Under 150 Rooms	$30.12	$29.00	$ 6.38	$ 6.22	0.39	0.40	0.25	0.27	38.2	38.7	$ 3.29	$ 3.26	4.2
150 to 300 Rooms	25.18	24.89	7.78	7.56	0.37	0.37	0.24	0.24	46.5	44.0	5.27	4.85	-4.3
300 to 600 Rooms	30.70	30.14	8.37	8.47	0.35	0.35	0.23	0.22	51.2	49.2	6.05	5.95	5.4
Over 600 Rooms	29.89	29.45	9.53	9.20	0.33	0.34	0.20	0.20	56.2	53.3	7.66	6.77	-11.3
TYPE:													
Hotel	32.96	32.45	8.88	8.71	0.35	0.35	0.23	0.22	52.8	50.5	6.71	6.19	-3.8
Motor Hotel	20.39	19.98	6.67	6.68	0.36	0.37	0.22	0.22	43.1	41.2	4.17	4.09	1.5
Economy	4.45	4.36	*	*	0.39	0.37	*	*	*	*	*	*	*

* INSUFFICIENT RESPONSE

YEAR TO DATE FOOD AND BEVERAGE REPORT - AS OF AUGUST 1984

	F&B SALES PER OCCUPIED ROOM		AVERAGE RECEIPT PER COVER		FOOD COST PERCENT OF FOOD SALES		BEV COST PERCENT OF BEV SALES		F&B PAYROLL PERCENT OF F&B SALES		F&B PAYROLL PER COVER		NUMBER COVERS SERVED
	1984	1983	1984	1983	1984	1983	1984	1983	1984	1983	1984	1983	% CHG
TOTAL	$31.13	$29.96	$ 8.97	$ 8.50	0.34	0.34	0.22	0.22	46.0	45.1	$ 5.80	$ 5.46	1.8
REGION:													
Northeast	$35.40	$33.48	$11.28	$10.61	0.31	0.33	0.20	0.20	50.6	50.0	$ 8.24	$ 7.81	2.8
Southeast	30.04	28.02	8.74	8.32	0.35	0.34	0.22	0.22	42.3	40.8	5.47	5.03	0.6
North Central	31.19	30.86	7.57	7.39	0.35	0.35	0.22	0.22	44.4	44.1	4.51	4.38	4.8
South Central	26.41	26.25	8.36	7.82	0.36	0.35	0.22	0.22	46.9	46.5	5.51	5.28	0.5
West	35.03	33.65	9.31	8.70	0.34	0.34	0.22	0.22	46.1	44.2	5.57	5.02	0.6
AFFILIATION:													
Chain	28.39	27.37	8.89	8.42	0.33	0.34	0.21	0.21	46.0	45.1	5.84	5.52	1.8
Independent	43.14	41.65	9.19	8.74	0.36	0.36	0.23	0.23	46.0	45.1	5.68	5.29	1.7
LOCATION:													
Center City	34.78	33.44	10.34	9.63	0.32	0.33	0.21	0.21	50.6	50.2	7.33	6.91	1.7
Suburban	27.82	27.94	7.92	7.71	0.36	0.35	0.22	0.22	44.2	42.6	4.97	4.72	2.4
Highway	21.16	20.17	6.61	6.06	0.36	0.36	0.24	0.23	39.5	39.6	3.51	3.25	-2.4
Airport	26.08	25.63	8.06	7.75	0.34	0.34	0.22	0.22	44.4	43.0	5.05	4.78	1.3
Resort	41.86	39.11	9.45	9.16	0.35	0.35	0.22	0.22	39.9	38.7	5.16	4.84	4.1
SIZE:													
Under 150 Rooms	$29.49	$28.77	$ 6.90	$ 6.69	0.39	0.39	0.25	0.25	40.1	39.3	$ 3.81	$ 3.65	0.7
150 to 300 Rooms	24.94	24.56	7.67	7.28	0.36	0.36	0.23	0.23	43.5	42.7	4.69	4.41	-0.4
300 to 600 Rooms	33.77	32.73	9.22	8.90	0.34	0.34	0.22	0.22	47.8	46.3	6.14	5.79	2.8
Over 600 Rooms	38.59	35.95	11.44	10.63	0.31	0.32	0.20	0.19	47.8	47.6	7.73	7.34	4.2
TYPE:													
Hotel	36.96	35.72	9.65	9.14	0.33	0.34	0.22	0.22	47.3	46.5	6.38	6.01	2.4
Motor Hotel	21.22	20.66	7.06	6.76	0.36	0.36	0.22	0.22	41.6	40.5	4.22	3.98	-
Economy	5.61	5.37	*	*	0.36	0.37	0.41	0.44	30.3	33.0	*	*	*

* INSUFFICIENT RESPONSE

TWELVE MONTH TREND REPORT - AS OF AUGUST 1984

	SALES PERCENT CHANGE				OCCUPANCY PERCENT		DOUBLE OCCUPANCY PERCENT		ROOM SALES PER OCCUPIED ROOM		TOTAL SALES PER OCCUPIED ROOM	
	TOTAL	ROOMS	F&B	OTHER	AUG	% CHG	AUG	% CHG	AUG	% CHG	AUG	% CHG
TOTAL	8.9	9.8	6.8	9.2	65.6	2.7	51.8	-1.5	$ 55.32	6.2	$ 84.42	5.3
REGION:												
Northeast	11.4	12.3	9.5	10.9	70.6	4.1	39.8	1.8	$ 77.57	9.1	$116.31	8.3
Southeast	6.0	6.2	5.0	8.9	67.3	-0.9	83.0	-1.8	55.59	6.3	87.36	6.1
North Central	11.2	12.9	7.6	14.1	63.3	6.6	40.5	-1.2	43.70	5.2	69.63	3.6
South Central	6.9	8.2	4.4	4.1	60.5	2.0	29.6	0.5	49.24	3.6	73.34	2.3
West	9.9	10.9	7.6	9.5	69.2	2.8	50.1	-1.2	54.76	7.5	81.38	6.5
AFFILIATION:												
Chain	8.7	9.8	6.2	8.6	66.3	2.3	48.3	-1.8	54.75	6.4	81.86	5.3
Independent	9.6	10.1	8.4	10.8	62.5	3.8	63.5	-0.8	57.64	5.3	94.69	4.8
LOCATION:												
Center City	11.4	12.6	9.1	10.0	63.9	3.7	43.7	2.8	68.88	7.5	106.39	6.3
Suburban	6.8	8.6	3.1	7.4	64.6	3.5	40.9	-1.4	47.12	4.0	72.27	2.3
Highway	5.9	6.2	5.0	4.4	66.4	1.1	63.3	-3.8	38.44	4.2	51.03	3.9
Airport	7.0	8.6	4.1	5.7	69.6	3.4	32.0	-2.4	50.28	4.9	77.04	3.4
Resort	8.8	9.0	7.8	12.0	65.7	0.6	92.7	-2.9	67.03	7.3	111.53	7.1
SIZE:												
Under 150 Rooms	7.1	7.9	4.7	4.0	65.8	3.3	60.8	-1.1	$ 37.57	4.3	$ 49.86	3.5
150 to 300 Rooms	7.6	9.2	4.2	7.1	65.3	3.0	46.3	-2.7	48.30	5.3	73.11	3.7
300 to 600 Rooms	7.1	7.8	5.2	9.8	63.5	1.8	52.6	-2.2	62.09	5.2	99.14	4.5
Over 600 Rooms	12.8	13.4	11.7	11.4	68.2	2.4	52.9	0.4	78.13	8.9	123.02	8.2
TYPE:												
Hotel	9.9	11.0	7.8	10.4	65.5	3.5	47.8	0.4	67.02	6.4	108.97	5.3
Motor Hotel	7.0	8.4	3.4	5.7	65.8	1.5	57.6	-3.5	44.49	5.6	61.50	4.3
Economy	3.9	4.4	-2.4	-7.8	64.5	2.9	60.8	-1.9	29.19	2.5	30.53	2.1

* INSUFFICIENT RESPONSE

TWELVE MONTH FOOD AND BEVERAGE REPORT - AS OF AUGUST 1984

	F&B SALES PER OCCUPIED ROOM		AVERAGE RECEIPT PER COVER		FOOD COST PERCENT OF FOOD SALES		BEV COST PERCENT OF BEV SALES		F&B PAYROLL PERCENT OF F&B SALES		F&B PAYROLL PER COVER		NUMBER COVERS SERVED
	1984	1983	1984	1983	1984	1983	1984	1983	1984	1983	1984	1983	% CHG
TOTAL	$32.37	$31.32	$ 9.15	$ 8.68	0.34	0.34	0.22	0.22	45.1	44.4	$ 5.87	$ 5.56	2.1
REGION:													
Northeast	$37.79	$35.50	$11.53	$10.76	0.31	0.32	0.20	0.20	48.1	48.0	$ 8.12	$ 7.71	3.0
Southeast	31.10	29.45	9.09	8.66	0.34	0.34	0.22	0.22	41.7	40.5	5.69	5.28	0.4
North Central	33.12	33.15	7.68	7.52	0.35	0.35	0.23	0.23	43.3	43.0	4.50	4.39	5.5
South Central	26.80	26.86	8.49	8.03	0.35	0.35	0.22	0.22	46.5	46.1	5.62	5.42	0.2
West	35.55	34.05	9.31	8.72	0.34	0.34	0.22	0.22	46.4	44.8	5.61	5.12	1.4
AFFILIATION:													
Chain	29.74	28.86	9.10	8.65	0.33	0.33	0.21	0.21	45.0	44.4	5.92	5.64	2.0
Independent	43.95	42.41	9.27	8.78	0.36	0.35	0.23	0.23	45.3	44.6	5.72	5.32	2.0
LOCATION:													
Center City	36.56	35.16	10.56	9.87	0.32	0.32	0.21	0.21	48.6	48.3	7.26	6.84	1.9
Suburban	28.32	28.63	7.96	7.79	0.36	0.35	0.22	0.22	43.3	42.0	4.92	4.75	2.8
Highway	21.51	20.58	6.66	6.16	0.36	0.37	0.24	0.24	39.9	40.4	3.59	3.40	-1.1
Airport	27.84	27.52	8.17	7.86	0.34	0.34	0.23	0.23	43.7	42.8	5.12	4.93	1.8
Resort	43.13	40.60	9.61	9.25	0.35	0.35	0.22	0.22	39.9	39.2	5.35	5.06	3.4
SIZE:													
Under 150 Rooms	$30.26	$29.63	$ 6.96	$ 6.74	0.39	0.39	0.25	0.25	39.5	38.9	$ 3.74	$ 3.62	1.2
150 to 300 Rooms	26.19	26.00	7.76	7.38	0.35	0.36	0.23	0.23	43.1	42.7	4.70	4.48	0.4
300 to 600 Rooms	34.47	33.47	9.33	8.99	0.34	0.34	0.22	0.22	47.3	46.2	6.18	5.86	2.1
Over 600 Rooms	40.38	37.82	11.75	11.00	0.30	0.31	0.19	0.19	45.9	45.5	7.86	7.47	4.8
TYPE:													
Hotel	38.60	37.33	9.84	9.33	0.33	0.33	0.21	0.22	46.0	45.5	6.43	6.10	2.6
Motor Hotel	21.62	21.31	7.12	6.83	0.37	0.37	0.23	0.22	41.5	40.5	4.25	4.04	0.4
Economy	5.62	5.52	*	*	0.35	0.37	*	*	*	*	*	*	*

* INSUFFICIENT RESPONSE